



## Proposed Agency Information Collection Activities; Comment Request

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice, request for comment.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, with revision, the Registration of Mortgage Loan Originators (CFPB G; OMB No. 7100-0328).

**DATES:** Comments must be submitted on or before [insert date 60 days after publication in the Federal Register].

**ADDRESSES:** You may submit comments, identified by CFPB G, by any of the following methods:

- Agency Website: <https://www.federalreserve.gov/>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include the OMB number or FR number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Federal Reserve Board of Governors, Attn: Ann E. Misback, Secretary of the Board, Mailstop M-4775, 2001 C St NW, Washington, DC 20551.

All public comments are available from the Board's website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request. Accordingly, comments will not be edited to remove any confidential business information, identifying information, or contact information. Public comments may also be viewed electronically or in paper in Room M-4365A, 2001 C St NW, Washington, DC 20551, between 9:00 a.m. and 5:00 p.m. on weekdays, except for Federal holidays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling

(202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the Office of Management and Budget (OMB) Desk Officer for the Federal Reserve Board, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

**FOR FURTHER INFORMATION CONTACT:** Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, nuha.elmaghrabi@frb.gov, (202) 452-3884.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

During the comment period for this proposal, a copy of the proposed PRA OMB submission, including the draft reporting form and instructions, supporting statement (which contains more detail about the information collection and burden estimates than this notice), and other documentation, will be made available on the Board's public website at <https://www.federalreserve.gov/apps/reportingforms/home/review> or may be requested from the agency clearance officer, whose name appears above. Final versions of these documents will be made available at <https://www.reginfo.gov/public/do/PRAMain>, if approved.

**Request for Comment on Information Collection Proposal**

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Board should modify the proposal.

**Proposal under OMB Delegated Authority to Extend for Three Years, With Revision, the Following Information Collection**

*Collection title:* Registration of Mortgage Loan Originators.

*Collection identifier:* CFPB G.

*OMB control number:* 7100-0328.

*General description of collection:* In accordance with the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act), the Consumer Financial Protection Bureau's (CFPB) Regulation G requires residential mortgage loan originators (MLOs) to register with the Nationwide Multistate Licensing System (NMLS),<sup>1</sup> maintain this registration, obtain a unique identifier, and disclose to consumers upon request and through the NMLS their unique identifier and the MLO's employment history and publicly adjudicated disciplinary and enforcement

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<sup>1</sup> <https://mortgage.nationwidelicensingsystem.org/Pages/default.aspx>.

actions. The CFPB's regulation also requires the institutions employing MLOs to adopt and follow written policies and procedures to ensure that their employees comply with these requirements and to conduct annual independent compliance tests.

*Proposed revisions:* The Board proposes to revise the CFPB G by updating its burden estimation methodology, including certain hourly burden estimates, in order to more accurately capture associated banking organization disclosure and recordkeeping burden. These revisions would be effective immediately.

First, the Board is proposing to account for Section 1007.103(e) banking organization disclosure of registration information requirements burden separately from Section 1007.104 banking organization recordkeeping requirements burden. The Board has determined that it is more accurate to reflect the information collection burden associated with Section 1007.103(e) requirements as disclosure requirements instead of as recordkeeping requirements, as was done previously.

Next, the Board is proposing to revise the average annual estimated hourly burden per banking organization (for both banking organizations already subject to these requirements and banking organizations newly subject to these requirements) associated with Section 1007.103(e) disclosure of registration information to 3.7 hours.

Additionally, the Board is proposing to revise the average annual estimated hourly burden per banking organization already subject to Section 1007.104 recordkeeping requirements to 7.0 hours and to revise the average annual estimated hourly burden per banking organization newly subject to Section 1007.104 recordkeeping requirements to 114.3 hours. This represents a change from the Board's existing methodology, which estimates that the combined Section 1007.103(e) and Section 1007.104 average annual estimated hourly burden for all banking organizations is 118.0 hours. The Board is proposing this change to reflect that the limited number of new banking organization respondents would incur a higher one-time burden to

implement the requirements, whereas the majority of banking organization respondents that have already implemented the requirements would incur a much lower ongoing burden.

Finally, the Board has determined that it is more accurate to reflect the information collection burden associated with Section 1007.105 requirements as disclosure requirements instead of as recordkeeping requirements, as was done previously. The disclosures associated with Section 1007.105 – disclosure of unique identifier – are primarily electronic and produce *de minimis* burden. Therefore, the Board is proposing to not estimate any associated burden for these disclosures.

*Frequency:* Annually.

*Respondents:* The Board's CFPB G panel comprises state member banks (SMBs) with \$10 billion or less in total assets that are not affiliates of insured depository institutions with total assets of more than \$10 billion; subsidiaries of such SMBs that are not functionally regulated within the meaning of section 5(c)(5) of the Bank Holding Company Act of 1956; branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks); commercial lending companies owned or controlled by foreign banks (collectively, banking organizations); and the employees of these banking organizations who act as residential MLOs.

*Total estimated number of respondents:* 17,467.

*Total estimated change in burden:* (63,951).

*Total estimated annual burden hours:* 23,366.<sup>2</sup>

Board of Governors of the Federal Reserve System, January 23, 2023.

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<sup>2</sup> More detailed information regarding this collection, including more detailed burden estimates, can be found in the OMB Supporting Statement posted at <https://www.federalreserve.gov/apps/reportingforms/home/review>. On the page displayed at the link, you can find the OMB Supporting Statement by referencing the collection identifier, CFPB G.

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**Michele Taylor Fennell,**

*Deputy Associate Secretary of the Board.*

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